

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
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Th10c

December 16, 2004

TO: Commissioners and Interested Persons

FROM: Charles Lester, Deputy Director
Diane Landry, District Manager
Rick Hyman, Deputy Chief Planner
Susan Craig, Coastal Planner

SUBJECT: **CITY OF CAPITOLA LOCAL COASTAL PROGRAM MAJOR AMENDMENT 2-04: Re-submittal to Certify Three Areas of Deferred Certification (Implementation Plan only): El Salto Resort parcels, Rispin Mansion Site, and Shadowbrook parcels; Also Land Use Re-Designation of El Salto parcels from VS (Visitor Serving) to VS/R-LM (Visitor Serving/Residential Low-Medium) and Re-Designation of Rispin Site From PF/VS/SR (Public Facilities/Visitor Serving/Special Residential) to PF/VS (Public Facilities/Visitor Serving).** For public hearing and Commission action at its meeting of January 2005 to be held at the Hilton Long Beach, 701 W. Ocean Blvd., Long Beach, CA 90831.

SYNOPSIS

Background Information Regarding Areas of Deferred Certification: The City of Capitola Land Use Plan (LUP) was certified in November 1981. In 1989, as part of its original implementation plan (zoning) submittal, the City submitted a visitor-serving ordinance to be used in combination with the Automatic Review and Public Facilities districts to provide standards for development of a number of visitor-serving sites identified in the Land Use Plan. The visitor-serving zoning ordinance section, however, lacked standards and simply referred to the Land Use Plan, which did not contain adequate development standards. In some instances, other provisions of the zoning ordinance provided sufficient guidance for development of visitor-serving areas. For three particular sites, however, the lack of visitor-serving zoning standards was a critical deficit that required that the sites be designated as Areas of Deferred Certification. These Areas of Deferred Certification include the Rispin Mansion site, the Shadowbrook Restaurant parcels, and the El Salto Resort parcels (see Exhibits 1 & 2). Please note, however, that these three sites were previously certified with *land use* designations in 1981: VS (Visitor Serving) for the Shadowbrook Restaurant and its associated parking lots; PF/VS/SR (Public Facilities/Visitor Serving/Special Residential) for the Rispin Mansion site; and VS (Visitor Serving) for the El Salto parcels. Thus, the proposed submittal provides zoning designations for these three sites as well as development standards for the Visitor-Serving District. The proposed zoning designations are AR/VS (Automatic Review/Visitor Serving) for the Shadowbrook



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Restaurant parcels, AR/VS/PD (Automatic Review/Visitor Serving/Planned Development) for the Rispin Mansion site, and VS/R-1 (Visitor Serving/Single Family Residence) for the El Salto parcels. In addition, the submittal includes a land use re-designation for the El Salto parcels from VS (Visitor Serving) to VS/R-LM (Visitor Serving/Residential Low-Medium), and re-designation of the Rispin site from PF/VS/SR (Public Facilities/Visitor Serving/Special Residential) to PF/VS (Public Facilities/Visitor Serving).

SUMMARY OF STAFF RECOMMENDATION

Staff has reviewed the proposed amendment to the Land Use Plan for conformance with the Coastal Act and the Implementation Plan certification for consistency with the proposed amended Land Use Plan. Issues raised by the proposed amendment/certification include visitor serving and recreational uses, public access, visual impacts, bluff top and riparian setbacks, and community character. As discussed in detail below, Staff recommends **approval** of the City of Capitola Local Coastal Program Major Amendment 2-04 if modified to provide more specificity regarding allowable uses and development standards on the Shadowbrook Restaurant, Rispin Mansion, and El Salto Resort parcels.

ANALYSIS CRITERIA

The Commission certified the City of Capitola's Land Use Plan in 1981. Except for the three Areas of Deferred Certification mentioned above, the Implementation Plan was certified in 1990 and the City assumed coastal development permit authority that year. The City has organized and submitted this LCP amendment request in accordance with the standards for amendments to certified LCPs (Coastal Act Section 30514, California Code of Regulations 13551 through 13553).

The proposed amendment affects the LUP and IP components of the City of Capitola LCP. The standard of review for land use plan amendments is that they must be consistent with the Chapter 3 policies of the Coastal Act. The standard of review for implementation amendments/certification is that they must be consistent with and adequate to carry out the policies of the certified coastal land use plan.

ADDITIONAL INFORMATION

Additional information on the submittal may be obtained from Susan Craig at the Central Coast District Office of the Coastal Commission at 725 Front Street, Suite 300, Santa Cruz, CA 95060, (831) 427-4863.

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Exhibits:

- Exhibit 1: Capitola Location Map
- Exhibit 2: El Salto Resort, Rispin Mansion, and Shadowbrook Site Maps
- Exhibit 3: El Salto Parcel Map
- Exhibit 4: Proposed Zoning Ordinance Language
- Exhibit 5: Resolutions

I. STAFF RECOMMENDATION: MOTIONS AND RESOLUTIONS

Staff recommends adoption of the following resolutions:

Resolution I. (Resolution to approve City of Capitola Land Use Plan Major Amendment No. 2-04 as submitted)

Staff recommends a **NO** vote on the motion below. Failure of this motion will result in denial of the land use plan amendment component as submitted and adoption of the following resolution and findings. The motion passes only upon an affirmative vote of a majority of the appointed Commissioners.

Motion #1: I move that the Commission certify Major Amendment No. 2-04 to the City of Capitola Land Use Plan as submitted by the City.

Resolution to Deny: The Commission hereby denies certification of Major Amendment No. 2-04 to the land use plan of the City of Capitola as submitted and adopts the findings set forth below on the grounds that the amendment component, as submitted, does not conform with the policies of Chapter 3 of the Coastal Act. Certification of the land use plan would not meet the requirements of the California Environmental Quality Act, as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the land use plan as submitted.

Resolution II. (Resolution to approve City of Capitola Land Use Plan Major Amendment No. 2-04, if modified)

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in certification of the land use plan amendment with the suggested modifications and adoption of the following resolution and findings. The motion to certify with the suggested modifications passes only upon an affirmative vote of a majority of the appointed Commissioners.

Motion #2: I move that the Commission certify Major Amendment No. 2-04 to the City of Capitola Land Use Plan, if modified as suggested by modifications #1-16 in this staff



report.

Resolution to approve: *The Commission hereby certifies Major Amendment No. 2-04 to the land use plan of the City of Capitola if modified according to the suggested modifications and adopts the findings set forth below on grounds that the land use plan amendment with the suggested modifications will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the land use plan amendment if modified as suggested complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts that the land use plan amendment may have on the environment that will result from certification of the land use plan if modified.*

Resolution III. (Resolution to deny certification of the Implementation Plan for the Areas of Deferred Certification as submitted)

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in rejection of the submitted implementation plan and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion: *I move that the Commission reject the Implementation Plan for the City of Capitola's areas of deferred certification as submitted.*

Resolution to deny certification of the Implementation Plan as submitted: *The Commission hereby denies certification of the Implementation Plan submitted for the City of Capitola's areas of deferred certification and adopts the findings set forth below on grounds that the Implementation Plan as submitted does not meet the requirements of and is not in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the Implementation Program would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Program as submitted.*

Resolution IV. (Resolution to certify the Implementation Plan with suggested modifications)

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in certification of the Implementation Plan components with suggested modifications and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion: *I move that the Commission certify the Implementation Plan for the City of*



Capitola's areas of deferred certification if modified as suggested in this staff report.

Resolution to certify the implementation plan for the areas of deferred certification with suggested modifications: *The Commission hereby certifies the Implementation Plan for the City of Capitola's areas of deferred certification if modified as suggested and adopts the findings set forth below on grounds that the Implementation Plan with the suggested modifications will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the Implementation Plan if modified as suggested complies with the California Environmental Quality Act, because either: 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Plan on the environment, or; 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.*

II. SUGGESTED MODIFICATIONS

The Commission suggests the following changes to the submitted Land Use Plan amendment and implementation plan certification are necessary to make the requisite findings. If the local government accepts the suggested modifications within six months of Commission action, by formal resolution of the City Council, the corresponding amendment/certification will become effective upon Commission concurrence with the Executive Director finding that this has been properly accomplished.

Note: *The Commission-suggested textual modifications are shown by deleting submitted text with ~~strikethrough~~ and adding text with underline. Required modifications to the Table of Contents, Introduction, and Figures are described.*

Modification #1

Maintain the existing VS (Visitor Serving) designation (without a residential overlay) on parcels 036-142-27, 036-143-31, and a portion of parcel 036-142-28 as shown on Exhibit 3.

Modification #2

Re-designate parcel 036-143-29 from VS (Visitor Serving) to P (Parks/Open Space), as shown on Exhibit 3.

Modification #3

Amend Land Use Plan Policy IV-2 as follows:

Areas designated as visitor serving and/or recreational shall be reserved for visitor support services or recreational uses. Permissible uses include, but are not limited to hotels, motels, hostels, campgrounds, food and drink service establishments, public facilities, public beaches, public recreation areas or parks, and related rental and retail establishments. Residential uses are also permitted on dual designated "visitor-serving/residential" parcels; specifically, ~~the Rispin Mansion parcels~~, a portion of the El



Salto Resort, and in the Village area. Development can be accomplished through private or public means.

Modification #4

Amend the table of contents for Chapter 17.30 V-S Visitor Serving District as follows:

17.30.040 ~~Principal~~ Conditionally permitted uses.

Modification #5

Amend Section 17.30.040 as follows:

17.30.040 Conditionally permitted uses. The following are conditional uses in a V-S district (except for the Shadowbrook, Rispin, and El Salto parcels), subject in each case to the securing of a use permit as provided in Chapter 17.60:

- A. Accessory structures and accessory uses appurtenant to any conditionally allowed use provided there is no intensification of the permitted use;
- B. Hotels, motels, hostels, inns; bed and breakfast lodging.
- C. Restaurants, not including restaurants with drive up windows or car service;
- D. Recreational vehicle parks;
- E. Employee housing, accessory to an allowed use;
- F. Day care centers;
- G. Assemblages of people, such as carnivals, festivals, races and circuses not exceeding ten days, and not involving construction of permanent facilities;
- H. Accessory structures and uses established prior to establishment of main use or structure;
- I. Legal nonconforming use of a portion of a structure extended throughout the structure;
- J. Legal nonconforming use changed to a use of a similar or more restricted nature;
- K. Habitat Restoration; and Habitat Interpretive facility;
- L. Single Family consistent with R-1 standards;
- M. Multi-family consistent with RM-LM standards;
- N. Live entertainment;
- O. Public and quasi-public uses including, wharfs, churches, parks, playgrounds, schools, public safety facilities, public utility facilities, and parking lots;
- P. ~~Any lots or establishments where alcoholic beverages are served, commercial places of amusement or recreation or any places where live entertainment is provided~~ Business establishments that provide commercial places of amusement or recreation, live entertainment, or service of alcoholic beverages and that are located within 200 feet of the boundary of a residential district;
- Q. Weddings;
- R. Campgrounds and moderate intensity recreational use, including tent platforms, cabins, parks, stables, bicycle paths, restrooms, and interpretive facilities.
- S. Business establishments that sell or dispense alcoholic beverages for consumption upon the premises;



- T. Other visitor-serving uses of a similar character, density and intensity as those listed in this Section determined by the Planning Commission to be consistent and compatible with the intent of this Chapter and the applicable land use plan.
- U. Retail Stores and Offices accessory to Visitor Serving Uses;
- V. Change of visitor serving commercial uses within a structure provided the new use will not change the nature or intensity of the commercial use of the structure;
- W. One caretaker unit for the purpose of providing on-site security.

Modification #6

Add new Section 17.30.042 regarding conditionally permitted uses on the Rispin parcels:

17.30.042 The following are conditional visitor-serving uses on the Rispin site:

- A. Accessory structures and accessory uses appurtenant to any conditionally allowed use;
- B. Hotels, motels, hostels, inns, bed and breakfast lodging;
- C. On-site food service or restaurant, not including restaurants with drive-up windows or car service;
- D. Assemblages of people, such as festivals, not exceeding ten days and not involving construction of permanent facilities;
- E. Accessory structures and uses established prior to establishment of main use or structure;
- F. Habitat restoration; habitat interpretive facility;
- G. Live entertainment;
- H. Public and quasi-public uses including paths, public parks/gardens, public utility facilities; parking areas;
- I. Business establishments that provide commercial places of amusement or recreation, live entertainment, or service of alcoholic beverages and that are located within 200 feet of the boundary of a residential district;
- J. Weddings;
- K. Business establishments that sell or dispense alcoholic beverages for consumption upon the premises;
- L. Other visitor-serving uses of a similar character, density, and intensity as those listed in this Section and determined by the Planning Commission to be consistent and compatible with the intent of this Chapter and the applicable land use plan;
- M. Retail shops and offices accessory to visitor-serving uses;
- N. One caretaker unit for the purpose of providing on-site security.

Modification #7

Add new Section 17.30.045 regarding conditionally permitted uses on the Shadowbrook parcels:

17.30.045 The following are conditional visitor-serving uses on the Shadowbrook parcels:

- A. Restaurants, not including restaurants with drive-up windows or car service;



- B. Assemblages of people, such as festivals, not exceeding ten days and not involving construction of permanent facilities;
- C. Habitat restoration; habitat interpretive facility;
- D. Public paths;
- E. Live entertainment;
- F. Parking areas to serve the main facility;
- G. Business establishments that provide commercial places of amusement or recreation, live entertainment, or service of alcoholic beverages and that are located within 200 feet of the boundary of a residential district;
- H. Weddings;
- I. Business establishments that sell or dispense alcoholic beverages for consumption upon the premises.
- J. Other visitor-serving uses of a similar character, density, and intensity as those listed in this Section determined by the Planning Commission to be consistent and compatible with the intent of this Chapter and the applicable land use plan;
- K. Offices accessory to visitor-serving uses.
- L. One caretaker unit for the purposes of providing on-site security.

Modification #8

Apply an exclusive V-S zoning designation for the Monarch Cove Inn parcels (APNs 036-142-27 & 036-143-31) and a portion of parcel 036-142-28, as shown in Exhibit 3.

Modification #9

Add new Section 17.30.047 regarding conditionally permitted uses on the Monarch Cove Inn parcels (APNs 036-142-27 & 036-143-31) and a portion of parcel 036-142-28, as shown in Exhibit 3:

The following are the conditionally permitted uses allowed on the Monarch Cove Inn parcels and the portion of parcel 036-142-28 that is located between the two Monarch Cove Inn parcels:

- A. Accessory structures and accessory uses appurtenant to any conditionally allowed use;
- B. Hotels, motels, hostels, inns; bed and breakfast lodging;
- C. Food service related to lodging;
- D. Assemblages of people, such as festivals, not exceeding ten days and not involving construction of permanent facilities;
- E. Accessory structures and uses established prior to establishment of main use or structure;
- F. Habitat restoration; habitat interpretive facility;
- G. Live entertainment;
- H. Public paths;



- I. Business establishments that provide commercial places of amusement or recreation, live entertainment, or service of alcoholic beverages and that are located within 200 feet of the boundary of a residential district;
- J. Weddings;
- K. Business establishments that sell or dispense alcoholic beverages for consumption upon the premises;
- L. Other visitor-serving uses of a similar character, density, and intensity as those listed in this Section and determined by the Planning Commission to be consistent and compatible with the intent of this Chapter and the applicable land use plan;
- M. Offices accessory to visitor-serving uses;
- N. One caretaker unit for the purpose of providing on-site security
- O. Access roadway.

Modification #10

Apply P/OS (Parks/Open Space) zoning designation to parcel 036-143-29, as shown in Exhibit 3.

Modification #11

Add new Section 17.30.048 regarding conditionally permitted uses on El Salto parcels 036-142-26 & 036-143-30 and the portion of parcel 036-142-28 located outside of the Monarch Cove Inn properties:

The following are the conditionally permitted uses allowed on El Salto parcels 036-142-26, 036-143-30, and the portion of parcel 036-142-28 located outside the Monarch Cove Inn properties:

- A. Accessory structures and accessory uses appurtenant to any conditionally allowed use;
- B. Hotels, motels, hostels, inns, bed and breakfast lodging;
- C. Food service related to lodging use;
- D. Single family residential use consistent with R-1 standards;
- E. Multi-family residential use consistent with RM-LM standards;
- F. Public paths;
- G. One caretaker unit for the purpose of providing on-site security.

Modification #12

Amend Section 17.30.010 as follows:

17.30.010 Applicability. The regulations set forth in this chapter apply in all V-S districts-, except that section 17.30.040 does not apply to the Rispin, Shadowbrook, and El Salto Resort parcels; Sections 17.30.042 and 17.30.045 apply only to the Rispin and Shadowbrook sites, respectively. Sections 17.30.047 & 17.30.048 apply to the visitor-serving designated El Salto Resort parcels.



Modification #13

Amend Section 17.30.080 as follows:

17.30.080 Height. No structures shall exceed thirty feet in height. Exceptions up to 36 feet in height may be granted subject to approval by the City Council upon the recommendation of the Planning Commission when the following findings can be made:

A. The proposed development and design are ~~is~~ compatible with existing land uses of surrounding areas and the general plan; B. Streets and thoroughfares are suitable and adequate to serve the proposed development; C. The proposed development does not produce shadows which may adversely affect the enjoyment of adjacent streets, buildings or open space; D. Major public views ~~from other structures or public vantage points~~ are not blocked by the proposed development.

Modification #14

Amend Section 17.30.100 as follows:

17.30.100 Lot coverage. There shall be no specific maximum lot coverage set except as follows:

A. Sufficient space shall be provided to satisfy off-street parking and loading area requirements, notwithstanding that all parking may be provided within a structure(s);

B. Front yard and open space requirements shall be satisfied.

C. For the Rispin site, the maximum allowable impervious site coverage (e.g., buildings, paving, decks, etc.) is 25%.

D. For the visitor-serving El Salto Resort parcels (except for the portion of parcel 036-142-28 that is located outside of the Monarch Cove Inn) and the Shadowbrook Restaurant parcel located directly adjacent to Soquel Creek, the allowable impervious site coverage (e.g., buildings, paving, decks, etc.) is 50%.

Modification #15

Amend Section 17.30.110 as follows:

17.30.110 Yards. A. Front, side and rear yard setbacks may be required through architectural and site approval in order to provide adequate light and air, assure sufficient distance between adjoining uses to minimize any incompatibility and to promote excellence of development. Where a side or rear yard abuts residential property a setback of at least ten feet shall be provided.

B. Front yards and corner lot side yards shall not be used for required parking facilities.

C. For the visitor-serving El Salto properties located adjacent to the bluff top, new development shall adhere to the setback and development provisions provided in the LUP's Natural Hazards policies and in certified Zoning Chapter 17.48 (Geologic Hazards District).

D. To protect the waters and riparian habitat of Soquel Creek, new development on the Shadowbrook Restaurant and Rispin parcels shall adhere to the LUP's Natural Systems policies and to certified Zoning Chapter 17.95 (Environmentally Sensitive Habitats).



Modification #16

Amend Section 17.30.040 as follows:

17.30.140 Landscaping & Lighting. A minimum of five percent of the lot area shall be landscaped to ensure harmony with adjacent development in accordance with architectural and site approval standards. Exceptions to this standard are as follows: For the Rispin site, 75% of the site shall consist of either landscaped areas located within the developed areas of the site, or un-landscaped natural areas for those portions of the site subject to conservation easements. For the Shadowbrook Restaurant parcel that is adjacent to Soquel Creek, 50% of the site shall consist of landscaped or open space areas. For the visitor-serving El Salto parcels, 50% of the parcels shall consist of landscaped or open space areas. All exterior lighting shall be unobtrusive, harmonious with the local area and constructed or located so that only the area intended is illuminated and off-site glare is fully controlled. The location, type and wattage of the exterior lighting must be approved by the Community Development Director prior to the issuance of building permits or the establishment of the use.

III. FINDINGS AND DECLARATIONS

The Commission finds and declares as follows:

A. Land Use Re-Designation of El Salto Parcels and Rispin Site

The following Coastal Act Sections provide protection for visitor-serving uses and state:

Section 30221: *Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.*

Section 30222: *The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.*

Section 30223. *Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.*

Section 30253 (in part): *New development shall: (1) Minimize risks to life and property in areas of high geologic, flood, and fire hazard. (2) Assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs. (5) Where appropriate, protect special communities and neighborhoods which, because*



of their unique characteristics, are popular visitor destination points for recreational uses.

Section 30213: *Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred. The commission shall not: (1) require that overnight room rentals be fixed at an amount certain for any privately owned and operated hotel, motel, or other similar visitor-serving facility located on either public or private lands; or (2) establish or approve any method for the identification of low or moderate income persons for the purpose of determining eligibility for overnight room rentals in any such facilities.*

Background: The El Salto (“Sea Breeze”) Resort parcels are located on Depot Hill in the City of Capitola (see Exhibit 2 for site map). The El Salto Resort was originally built in the 1890s as a summer retreat for two well-to-do British families. Over the years, the El Salto Resort site was divided up into smaller parcels, some of which have been developed with single-family dwellings. Six of the remaining El Salto parcels, located at the end of El Salto Drive, remain designated for visitor-serving use. These six parcels (which total approximately 3 acres) make up one of the areas of deferred certification with respect to the implementation plan (see discussion in Section III(B) below). See Exhibit 3 for the assessor parcel numbers and configuration of the six parcels.

The City is proposing to amend the certified land use plan map to re-designate these six parcels from VS (Visitor Serving) to VS/R-LM (Visitor Serving/Residential Low-Medium). One of the parcels (036-142-28) contains a cottage and also a private road that extends off of El Salto Drive. This road provides access to the historic Monarch Cove Inn, which is a bed and breakfast facility located on two parcels (APNs 036-142-27 & 036-143-31). The Monarch Cove Inn provides eight guestrooms in an historic Victorian carriage house, as well as lodging in individual cottages. The accommodations are surrounded by lovely gardens and beautiful views of Monterey Bay. Weddings and other events are permitted on the premises. The Monarch Cove Inn site does not provide for any long-term residential use.

Parcel 036-142-26, which is located on the inland side of El Salto Drive, contains a 3-bedroom cottage, which has the potential for use as a bed and breakfast but currently is used as a residence. Parcel 036-143-30 contains a four-plex structure with four kitchens and eight bedrooms. In the past this structure has been used as eight lodging rooms but is presently a long-term four-unit rental property. A single-family cottage and a four-car carport are also located on this property.

Parcel 036-143-29 is located directly adjacent to the edge of the bluff. Other than fencing, there is no development on this parcel and the parcel is not developable because of the actively eroding bluff. A portion of this long narrow parcel has already eroded into the ocean.

Additionally, the City is proposing to re-designate the Rispin Mansion site (see Exhibit 2) from PF/VS/SR (Public Facilities/Visitor Serving/Special Residential) to PF/VS (Public



Facilities/Visitor Serving) to accommodate an exclusively visitor-serving redevelopment proposed for the site. Further background information on the Rispin Mansion site is found in Section III(B) below.

Analysis: As discussed above, the City proposes to re-designate the six El Salto Resort parcels from VS (Visitor Serving) to VS/R-LM (Visitor Serving/Residential Low-Medium). The R-LM designation allows for five to ten residential units per acre. The Monarch Cove Inn parcels currently provide an exclusively visitor-serving accommodation use. In addition, the Monarch Cove Inn site contains historic structures, including a Victorian carriage house, which contains eight guest rooms. The City has identified this house as a significant historic resource. In addition, the City recently approved relocation of an historic cottage from 709 El Salto Drive (APN 036-143-26) to the Monarch Cove Inn (APN 036-142-27) for use as visitor-serving lodging at the Monarch Cove Inn.

The City of Capitola is a popular overnight visitor destination for visitors to the Central Coast. Currently, the Monarch Cove Inn provides the only exclusively visitor-serving accommodation use in the Depot Hill area of Capitola. Given this and the historic nature of the Monarch Cove Inn parcels, the Commission finds that **Modification #1** is necessary to maintain the exclusive VS (Visitor Serving) designation on the Monarch Cove Inn parcels. In addition, because a portion of parcel 036-142-28 is located between the two Monarch Cove Inn parcels and provides vehicular access to the Monarch Cove Inn, this portion of the parcel shall also retain an exclusive VS designation (the remainder of this parcel, which contains a small residential cottage, shall be designated VS/R-LM, as proposed by the City). This modification provides consistency with the visitor-serving policies of the Coastal Act because it ensures the continuation of the *only* remaining existing visitor-serving use along the bluff-top location of Depot Hill in the City of Capitola.

As proposed by the City, APNs 036-142-26 and 036-143-30 shall be designated VS/R-LM. This designation recognizes the existing residential uses on these parcels, but also allows for the possible conversion of these residential uses to visitor-serving uses in the future. Finally, as discussed above, parcel 036-143-29 is a long and narrow parcel located entirely along an eroding bluff top. No development on this parcel, other than perhaps a sacrificial path or bench, would be possible because any long-term visitor-serving or residential development proposed on this parcel would not meet the safety standards required by Coastal Act Section 30253. For this reason, neither the existing VS nor the proposed VS/R-LM are appropriate designations for this parcels. **Modification #2** re-designates this parcel from VS (Visitor Serving) to P (Parks/Open Space), consistent with Coastal Act Section 30253.

Regarding the proposed re-designation of the Rispin Mansion site (Exhibit 2) from PF/VS/SR (Public Facilities/Visitor Serving/Special Residential) to PF/VS (Public Facilities/Visitor Serving), the City is requesting removal of the Special Residential overlay to accommodate a proposed exclusively visitor-serving accommodation use on this City-owned property. The Rispin site is located in an upland area adjacent to Soquel Creek, approximately ½ mile from the shoreline. The proposed redevelopment of the site will include passive recreation uses,



including a public garden and connection to an existing public path that crosses Soquel Creek. Thus, the proposed re-designation is consistent Coastal Act Section 30223 regarding protection of upland areas for recreational use. Also, this site will be the only visitor accommodation site in this area of Capitola, as much of the existing development along Wharf Road is residential. For this reason, the proposed re-designation is consistent with Coastal Act Section 30222, which gives priority to visitor-serving commercial developments over private residential developments in the Coastal Zone. Certified Land Use Policy IV-2, however, states that residential uses are permitted on the Rispin Mansion site. **Modification #3** deletes this language from Policy IV-2. With the above modifications, the proposed Land Use Plan amendment is consistent with the public access, recreation, visitor-serving, and development policies of the Coastal Act.

B. V-S Zoning District Standards and Implementation Plan Certification of Three Deferred Areas

The City of Capitola's Recreation and Visitor-Serving Policies IV-1 and IV-2 require the establishment of a visitor-serving district and specify the locations and allowable uses in specific areas of the City; Policy IV-4 provides for the acquisition and development of park and open space sites; Policy III-5 protects public views in the City of Capitola, and Policy III-6 protects the special character of Depot Hill:

Policy IV-1: *The City shall designate the following areas as visitor-serving and/or recreation uses: a) The Capitola Village commercial area (retail, restaurants, lodging, etc.); b) All sandy beaches; c) The Wharf; d) New Brighton State Beach; e) The El Salto Resort properties; f) The Shadowbrook Restaurant property; g) The Rispin parcel; h) The vacant lands between New Brighton State Park and McGregor Drive.*

Policy IV-2: *Areas designated as visitor serving and/or recreational shall be reserved for visitor support services or recreational uses. Permissible uses include, but are not limited to hotels, motels, hostels, campgrounds, food and drink service establishments, public facilities, public beaches, public recreation areas or parks, and related rental and retail establishments. Residential uses are also permitted on dual designated "visitor-serving/residential" parcels; specifically, a portion of the El Salto Resort, and in the Village area. Development can be accomplished through private or public means.*

Policy IV-4: *The City shall develop and acquire active park and passive open-space sites sufficient to meet the recreational needs of the community.*

Policy III-5: *Permitted development shall not block or detract from public views to and along Capitola's shoreline.*

Policy III-6: *It shall be the policy of the City of Capitola to maintain the special character of Depot Hill. New development on Depot Hill shall be permitted only where designed to be compatible with the scale and architectural character of the area.*

The City of Capitola's implementation plan was certified in 1990. However, the visitor-serving ordinance submitted at that time did not provide the specificity intended by the Land Use Plan



sufficient to indicate the kinds, location, and intensity of land uses allowed on these sites. Specifically, there were no standards under the submitted visitor-serving ordinance to clarify what, how, and how much could be developed on these sites. In some instances, other provisions of the submitted implementation plan provided sufficient guidelines for development (e.g., for the visitor-serving areas in Capitola Village). For three particular sites, however, the lack of standards was a critical deficit that required the sites be designated “Areas of Deferred Certification” with respect to zoning designations (these sites were certified with visitor serving land use designations in the Land Use Plan). The sites are the Rispin Mansion parcel, the El Salto Resort parcels (discussed in Section III.A. above), and the Shadowbrook Restaurant parcels (see Exhibit 2 for parcel locations). Table #1 shows the proposed zoning designations for each of these sites. Exhibit 4 contains the City’s proposed visitor-serving district ordinance language.

SITE	PROPOSED ZONING DISTRICT
Shadowbrook	AR/VS (Automatic Review/Visitor Serving)
Rispin	AR/VS/PD (Automatic Review/Visitor Serving/Planned Development)
El Salto Parcels	VS/R-1 (Visitor Serving/Single Family Residence)

Chapter 17.30 V-S Visitor Serving District

Please see Exhibit 4 for the proposed ordinance language.

Section 17.30.040

The purpose of the V-S zoning district is to accommodate the visiting public with a range of opportunities to enjoy the City of Capitola’s coastal location. Section 17.30.040 delineates the conditionally permitted uses for all V-S districts in the City, including the three areas of deferred certification. **Modification #4** corrects a typographical error in the table of contents for Chapter 17.30 regarding conditionally permitted uses. **Modification #5** provides minor clarifications regarding allowable uses in the V-S District.

Rispin Site Zoning Certification

Rispin Background: The Rispin Mansion site is located along the eastern side of Wharf Road in the City of Capitola (see Exhibit 2). The site is bounded by Soquel Creek to the east, open space to the north, a multiple-family residential development to the south, and a residential care facility, multiple- and single-family residences and a parking lot/library site to the west. The mansion, which was built by Henry Allen Rispin in 1922, combines mission, Spanish colonial, and Mediterranean style architecture. Since 1960, the mansion building has been vacant and numerous developments have been proposed for the site over the years. In December 1985, the City of Capitola purchased the Rispin Mansion property. The City has entered into a negotiated agreement with a development team. This year, the City approved redevelopment of the Rispin site which includes restoration of the mansion building with 13 guest rooms and other amenities,



construction of additional guest units on the property, construction of a glass-enclosed pavilion structure, restoration of the existing well-house with use as an office, construction of a new garden conservatory for weddings, and rehabilitation and restoration of the existing grounds and monarch butterfly habitat on the property. To assure permanent protection for the historical and biological resources on the Rispin property, and to maintain public access, a system of conservation and preservation easements is proposed. The habitat conservation easements will be placed over the riparian area adjacent to the mansion and the monarch butterfly habitat that exists on the property, consistent with Natural Systems Policies VI-8 and VI-10, which provide protection of the Soquel Creek riparian corridor and monarch butterfly groves, respectively. The project also includes public access to a restored garden on the site.

Certified LUP Policy IV-1 designates the Rispin site for visitor-serving and/or recreation uses. Certified LUP Policy IV-2 provides a list of permissible uses on visitor-serving properties, including lodging, public facilities, public recreation areas. The certified land use designation for the Rispin site is PF/VS (Public Facilities/Visitor-Serving). The proposed zoning for the Rispin site is AR/VS/PD (Automatic Review/Visitor-Serving/Planned Development). The certified AR zoning overlay requires a use permit for all development, as well as architectural and site review. The certified PD overlay provides a means of ensuring desirable development, redevelopment, rehabilitation, and conservation for parcels over four acres of size. Both the AR and PD overlay are appropriate overlay districts for the Rispin site. The submitted visitor-serving use standards provided for in Section 17.30.040 (see Exhibit 4), however, are quite broad and include uses inconsistent with LUP Policies IV-1 and IV-2 regarding the Rispin site, such as day care centers. **Modification #6** adds Section 17.30.42 to the implementation plan to specify the conditionally permitted uses specifically allowed on the Rispin site. These include a variety of visitor-serving uses such as lodging and restaurant service, live entertainment, and weddings.

Shadowbrook Restaurant Parcels Zoning Certification

Shadowbrook Restaurant Background:

The Shadowbrook Restaurant, founded in 1947, is located on Wharf Road, just downstream from the Rispin site (see Exhibit 2). The Shadowbrook Restaurant site includes lushly planted hillsides with small waterfalls and paved paths that lead down to the restaurant, which is located directly adjacent to Soquel Creek. In addition, the Shadowbrook Restaurant properties include two parking lots, one located directly across Wharf Road from the restaurant, and the other adjacent to Capitola Road (see Exhibit 2). It is critical that these parcels be retained for parking since no alternative parking areas exist for the 200-seat Shadowbrook Restaurant. The proposed zoning for Shadowbrook parcels, including the associated parking lots, is (AR/VS) Automatic Review/Visitor Serving. As stated above, the certified AR zoning overlay requires a use permit for all development, as well as architectural and site review. The submitted implementation plan standards for the VS District, however, are quite broad and include uses inconsistent with the existing visitor-serving uses on the site. **Modification #7** adds Section 17.30.45 to the implementation plan regarding conditionally permitted uses allowed on the Shadowbrook site. These include a variety of visitor-serving uses such as restaurant use and live entertainment, as well as parking, consistent with the existing uses on the site and with LUP Policies IV-1 and IV-2.



El Salto Resort Parcels Zoning Designation

Background information regarding these six parcels is found in Section III(A) above. The City is proposing to zone these six parcels VS/R-1 (Visitor Serving/Single Family Residential). As discussed in Section III(A), Modification #1 in this staff report maintains the existing VS designation (without a residential overlay) on the Monarch Cove Inn parcels (APNs 036-142-27 & 036-143-31) and a portion of parcel 036-142-28, as shown in Exhibit 3. Additionally, Modification #2 amends the land use designation of parcel 036-143-29 from VS (Visitor Serving) to P (Parks/Open Space), as shown on Exhibit 3. The remaining parcels are re-designated VS/R-LM (Visitor Serving/Residential Low-Medium) per the City's submittal. Given the exclusive visitor-serving designation on the Monarch Cove Inn parcels and the portion of parcel 036-142-28 that provides access to the Monarch Cove Inn, it is not appropriate to apply a residential zoning overlay to these parcels, nor is the VS/R-1 zoning designation appropriate for the parcel designated as Parks/Open Space (APN 036-143-29). **Modification #8** applies an exclusive VS (Visitor Serving) zoning designation to the Monarch Cove Inn parcels and a portion of parcel 036-142-28, consistent with the amended land use plan. **Modification #9** adds a section to the implementation plan regarding conditionally permitted uses on these El Salto parcels. These include visitor-serving uses such as lodging, food service related to lodging, and public paths.

One of the purposes of the Capitola LCP Parks and Open Space District is to provide a zone for those areas that should be retained in their existing and undeveloped character because of excessive danger from erosion. **Modification #10** applies a P/OS (Parks/Open Space) zoning designation to parcel 036-143-29, which is located in an active area of bluff-top erosion (see Exhibit 3). This modification provides zoning consistency with the amended land use plan.

The City's proposed VS-R1 zoning designation for parcels 036-142-26, 036-143-30, and the portion of parcel 036-142-28 located outside of the Monarch Cove Inn parcels (as shown in Exhibit 3) is consistent with and adequate to carry out the amended land use plan's VS/R-LM land use designation for these parcels. The submitted visitor-serving use standards provided for in Section 17.30.040 (see Exhibit 4), however, are quite broad and include uses inconsistent with LUP Policies IV-1 and IV-2 regarding these El Salto parcels, such as employee housing. **Modification #11** adds a section to the implementation plan regarding conditionally permitted uses allowed on these El Salto parcels. These include visitor-serving uses such as lodging and residential use on those parcels with residential overlay land use and zoning designations. **Modification #12** clarifies the applicability of the regulations set forth in Chapter 17.30 of the zoning ordinance with respect to the Rispin, Shadowbrook, and El Salto sites. As modified, this portion of the amendment is consistent with the land use plan policies of the certified Capitola Local Coastal Program.



Sections 17.30.050 through Sections 17.30.140

Sections 17.30.050 through Sections 17.30.140 of the proposed V-S Visitor Serving zoning district provide development standards for building height, lot area and lot coverage, setbacks, parking and loading areas, and landscaping and lighting (see Exhibit 4 for the proposed ordinance language). What follows is a summary of the sections that require modification to ensure consistency with the certified amended land use plan:

1. Section 17.30.080 Height. This section provides a height limit of 30 feet for the Visitor Serving zoning district. Exceptions to this height limit may be granted by the City Council when certain findings are made. However, this section does not define an absolute maximum allowable height limit. **Modification #13** provides an absolute height limit of 36 feet. This modification also clarifies that any increase in the height limit above 30 feet must ensure protection of public, not private, views. This modification is consistent with LUP Policy III-5.

2. 17.30.100 Lot Coverage. The submitted language states that there shall be no specific maximum lot coverage except to satisfy off-street parking and loading requirements and front yard and open space requirements. This language is most appropriate for the highly developed visitor serving areas of central Capitola Village, which have a high degree of lot coverage and little open space on the individual parcels. The City-approved redevelopment of the Rispin site, however, includes approximately 5% building coverage on the site. **Modification #14** amends this section to allow an additional 20% coverage by impervious surfaces (paved paths and walkways, a driveway, etc.) to not exceed a total impervious coverage of 25% for the Rispin site. This modification also includes a maximum site coverage of 50% on the El Salto Resort parcels, except for the portion of parcel 036-142-28 zoned VS-R1 and located outside of the Monarch Cove Inn parcels. This portion of the parcel is paved and provides access to the Monarch Cove Inn. Thus, for this portion of the parcel, the submitted language is adequate. The submitted language is also adequate for the two Shadowbrook parking lot parcels. The Shadowbrook Restaurant parcel, however, contains lovely gardens as well as the restaurant building and paved paths. Approximately 50% of the restaurant parcel is developed with impervious surfaces. This section is modified accordingly to provide an allowable 50% lot coverage for the Shadowbrook Restaurant parcel.

3. 17.30.110 Yards. The submitted language requires a side yard setback of at least 10 feet from any neighboring residential property. Otherwise, front, side, and rear yard setbacks are discretionary. This language is appropriate for the densely developed visitor-serving areas of central Capitola Village. **Modification #15** amends this language to provide appropriate references to the LCP's required setbacks from bluff tops (for the El Salto parcels) and riparian areas (for the Shadowbrook and Rispin parcels).

4. 17.30.140. Landscaping & Lighting. The submitted language requires that a minimum of 5% of a visitor-serving lot area be landscaped. This language is appropriate for the visitor-serving areas of central Capitola Village, but not for the El Salto Resort, Shadowbrook Restaurant, or Rispin parcels. **Modification #16** adds appropriate landscaping standards for these parcels to this section of the zoning ordinance.



IV. California Environmental Quality Act (CEQA)

The Coastal Commission's review and development process for Local Coastal Programs and amendments to them has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA, subject to Coastal Commission Regulations 13540(f) and 13542(a). Therefore, pursuant to Section 21080.9 of CEQA, local governments are not required to undertake environmental analysis on LCP amendments, although the Commission can and does utilize any environmental information that the local government has developed. The findings that the Commission must make to satisfy its obligations under CEQA are set forth in Section 13540(f). That Section provides as follows (in relevant part): for land use plans, the land use plan meets the requirements of Section 21080.5(d)(2)(i) of the Public Resources Code, which requires that an activity will not be approved or adopted as proposed if there are feasible alternative or feasible mitigation measures available which substantially lessen any significant adverse impact which the activity may have on the environment... Approval of the amendments, as modified, will not have significant environmental effects, consistent with the California Environmental Quality Act.

